

6. OUR PEOPLE

As an international enterprise, we take our employee as an invaluable asset. We have a staff handbook which strictly complies with applicable laws and regulations in respective operating regions, and discrimination and child or forced labour are not tolerated in our business.

Workforce data, Year 2016

	Number of employees
Total Workforce in the PRC and the Netherlands	2,445
By location	
PRC	1,993
Netherlands	452
By Gender	
Female	1,150
Male	1,295
By Age Group	
30 years or below	1,213
31-40 years	890
41-50 years	234
50 years or above	108
By Position	
Top management	33
Middle management	305
Staff	2,107

6.1 Employment

Labour Standards

We provide excellent working environment as well as training and development opportunities for all our employees. We are also committed to the principle of equal opportunity employment, in which we refrain from any form of discrimination against employees in performing their job, such as race and gender. We cherish our nice work ambiance by ensuring that our employees always feel highly involved.

Employee Care and Retention Initiatives

Inspiration and motivation of our employees are of utmost importance to us. Therefore, we offer a series of care and retention initiatives in order to retain talents. We put constant effort into offering training and coaching to maximise the development opportunities for our employees, with appropriate terms of employment and fringe benefits.

Several initiatives are adopted in the Netherlands and the PRC with the same goal to retain our talent. In the Netherlands, performance management has been introduced to motivate our employees to maximise their potentials. As such, we adopt a performance-related compensation structure. Through setting a key performance index (KPI) in terms of departmental and individual goals together with our employees, supervisors are able to provide employees the right support to further improve his or her competences and performance. In addition, we provide incentives for our employees in the Netherlands by offering good secondary benefits, such as year-end bonuses and extra holiday hours, as well as prioritising internal promotion. On the other hand, our employees in the PRC are offered with competitive benefits such as holiday subsidies, free milk formula products for their children and free body check services. We also encourage continuous learning among our employees in the PRC by arranging exchanges for outstanding employees with reputable local or overseas firms.

Sharing our business success with employees

The Group introduced a share option scheme (the "Scheme") in 2009. Through the grant of share options, the Scheme aims to provide incentives and rewards to eligible participants, for example our employees, who contribute to the success of the Group's operations. Approximately 46.8 million of share options were granted in this reporting year.



✧ First “Ausnutria Run”(優跑團) in the PRC

In October 2016, we organised the first year “Ausnutria Run (優跑團)” which is a healthy running event. We wish to spread the believe of “Happy Work, Healthy Life” to each of our employees and their family members through “Ausnutria Run”, and encourage all the staff in Ausnutria to participate in charity activities by donating milk powder worth RMB50,000 in the event to the first social welfare home in Changsha to help the children and elderlies there.

6.2 Health and Safety

Workplace Safety Policy

We cherish our competent and engaged employees by providing them with safe and healthy working conditions. We strive to constantly optimise and maintain a good working environment that is free from work-related accidents and illnesses. We always endeavour to improve our employees’ physical, mental and emotional health.

At Ausnutria, we follow a comprehensive set of occupational health and safety procedures. The details are outlined in our staff handbook, which are handed out to all employees with a firm belief that the growth of business heavily relies on the collective effort of every employee. On the other hand, we are obliged to provide a pleasant workplace for our employees to develop their abilities at Ausnutria. As such, several initiatives are implemented to secure the safety of our employees, for example, closely monitoring the usage of electricity, fire prevention and hazardous materials.

Additionally, a set of occupational health and safety policies that are based upon the legally required risk analysis and evaluation are in place in the Netherlands. The policies are included in the company business rules, which are distributed to employees on their first day of work. An array of training options is provided to employees concerning to safety, including but not limited to first aid, explosion safety and working with hazardous substances. Also, evacuation drills are conducted on a regular basis to ensure our employees know how to stay safe during emergency situations. We also record and assess every accidents and dangerous situations. Our health and safety team investigated the root causes of these accidents, and translates the results of these analyses into measures that aim to prevent accident from happening in the future. In this reporting year, zero fatalities were recorded at our operations.



- ✦ Safety record signs to promote safety awareness among employees at our factories

6.3 Development and Training

Training Policy

We consider our employees as our most valuable asset. As such, we are dedicated to offer our employees a challenging, inspiring and appealing work environment to encourage self-development. By investing significantly in our employees, we offer various training and development options with the aim to help our employees to grow with us.

We carefully select and provide trainings to our employees by considering their job location and job function. In this reporting year, we have provided over 7,000 hours of trainings. A total of 1,243 employees received trainings, representing over half of our total workforce.

Producing high quality infant formula is the focus of our business. Therefore, providing high quality trainings for our operators is our priority. In the Netherlands, we collaborate with MBO Life Sciences to deliver professional trainings to our operators to improve their knowledge about our products and technical skills through on-the-job trainings and classes. Each participant is assigned with a personal mentor to support and guide them through the process. Participants are also allowed with a full day leave to attend the classes. At the end of the training, participants are required to pass an examination in order to obtain their certificates, allowing them to be certified as qualified operators. Furthermore, we started with the Lean Six Sigma in the operations in the Netherlands in 2015 and continued the implementation of it in 2016 to further build a continuous improving organisation. In addition, several other training programs have also taken place during the reporting year in our factories in the Netherlands, for example first aid training, audit training, and waste reduction training. With a diversified mix of employees comprising experienced specialists and young learning enthusiasts, we collaborate with different institutions to provide training. We believe that the mixture of experienced and new employees helps rejuvenate Ausnutria as an outstanding enterprise. While in the PRC, we focus on providing external, on-the-job and independent training offered by the Group and external parties to our employees. We strongly encourage our employees to pursue further studies in universities and professional institutions. In order to better plan for employees' development, Ausnutria University was established. More learning opportunities are provided to our employees, and their learning records are all documented for the assessment of their performance in annual appraisals.



◆ Employees and trainers celebrated the inauguration of Ausnutria University's first MBA course

Number of employees trained and hours in training, Year 2016

	Number of employees	Total training hours	Average training hours
Total workforce	1,243	7,123	5.73